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Gregoire announces affordable health insurance for small businesses

OLYMPIA – By the beginning of next year, over 1,100 employees of small businesses in Washington could be enrolled in a new state health insurance program. The Health Insurance Partnership (HIP) began signing up enrollees today. Coverage will begin January 1, 2010.

“During these difficult economic times, we must do everything we can to help our small businesses and their employees. They are the backbone of our economy and their success is critical to our economic recovery,” said Gov. Chris Gregoire. “Thanks to some innovative thinking and support from the federal government, we have found a new approach that will give affordable access to healthcare for thousands of families and save small businesses money at the same time.”

HIP is administered by the Washington State Health Care Authority (HCA) and has received funding from the federal Department of Health and Human Services Health Resources and Services Administration (HRSA). The program received a \$1.2 million HRSA grant in 2009 to get underway. A subsequent grant award for \$2.8 million will help pay for program costs and subsidies for approximately 650 low-income enrollees. Over the next three years the program will be eligible for similar grants amounting to approximately \$10 million annually.

“With the advent of national health reform, it is critically important that government help small businesses take advantage of new health care opportunities like this one,” said HCA Administrator Doug Porter. “We believe HIP will provide an alternative that helps small employers help their employees.”

The program is open to employers with 50 or fewer employees, providing them with access to the same health insurance coverage available in the small group health insurance market, but at a

significant savings. With HIP, the employer contribution rate is only 40% of the cost of coverage, compared to the standard 75% in the small group market. Premium subsidies are available to a limited number of eligible employees, based on family income.

Porter said his program has trained approximately 200 brokers and other insurance professionals to market the program across the state. More broker training sessions are planned.

Employers interested in HIP can learn more on the program's website at www.hip.hca.wa.gov.

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